

MICHAEL J. GARCIA  
United States Attorney for the  
Southern District of New York  
By: KATHLEEN A. ZEBROWSKI  
Assistant United States Attorney  
86 Chambers Street  
New York, New York 10007  
Telephone No.: (212) 637-2710  
Fax Number : (212) 637-2717

07 CV 7488

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE SULLIVAN

-----x  
UNITED STATES OF AMERICA,

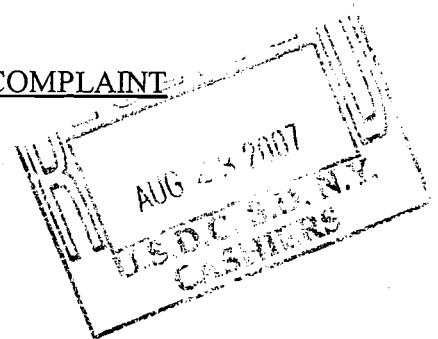
Plaintiff,

- v. -

Michael Silla,

Defendant.  
-----x

:  
:  
: VERIFIED COMPLAINT  
:  
: 07 Civ.



Plaintiff United States of America (the "United States"), by and through its attorney, Michael J. Garcia, United States Attorney for the Southern District of New York, alleges upon information and belief that:

1. Jurisdiction is conferred on this Court pursuant to 28 U.S.C. § 1345.
2. Defendant Michael Silla (the "defendant") resides at 140 West End Ave., Apt. #17G, New York, NY 10023-6142, within the Southern District of New York.

FIRST CAUSE OF ACTION

3. Defendant applied for and received a student loan from the lender whose name is set out in the defendant's promissory note(s) evidencing the loan, copies of which are annexed hereto as Exhibit A and incorporated herein.
4. Defendant defaulted on said note(s) and owes the amount said note(s) and

4. Defendant defaulted on said note(s) and owes the amount said note(s) and interest.

5. The United States is the assignee and present holder of said note(s).

6. The amount due and owing plaintiff by defendant on said note(s) is \$47,583.09, plus interest in the amount of \$25,170.90, as of August 22, 2007, with interest accruing thereafter at the rate of 8.25 percent per annum. A Certificate of Indebtedness from the United States Department of Education is annexed hereto as Exhibit B and incorporated herein.

#### SECOND CAUSE OF ACTION

7. Plaintiff repeats and realleges the allegations contained in paragraphs numbered one through six.

8. Plaintiff insured the aforementioned note(s) pursuant to Title IV of the Higher Education Act of 1965, Public Law 89-329.

9. The lender made an insurance claim on the United States for the amount of the lender's loss arising from the defendant's default on said note(s), which claim has been paid by the United States to the lender.

10. Plaintiff is entitled to be indemnified by defendant in the amount of \$72,753.99 as of August 22, 2007, with interest accruing thereafter at the rate of 8.25 percent per annum.

WHEREFORE, plaintiff demands judgment against defendant in the amount of \$72,753.99 plus interest as provided by law to the date of judgment and interest from the date of judgment at the legal rate until paid in full, together with costs and disbursements and for such other and further relief as this Court deems just and proper.

Dated: New York, New York

August 23, 2007

MICHAEL J. GARCIA  
United States Attorney for the  
Southern District of New York  
Attorney for the Plaintiff

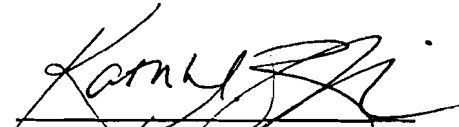
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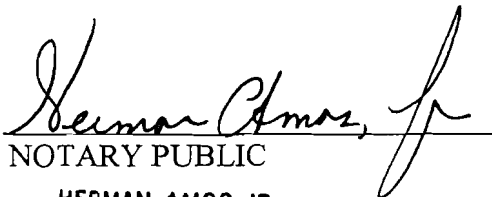
VERIFICATION

STATE OF NEW YORK )  
COUNTY OF NEW YORK : ss.:  
SOUTHERN DISTRICT OF NEW YORK )

KATHLEEN A. ZEBROWSKI, being duly sworn, deposes and says that she is an Assistant United States Attorney in the office of Michael J. Garcia, United States Attorney for the Southern District of New York, that she has read the foregoing complaint, and that the same is true and accurate to the best of her knowledge and belief.

  
KATHLEEN A. ZEBROWSKI  
Assistant United States Attorney

Sworn to before me this 23<sup>rd</sup>  
day of August, 2007

  
NOTARY PUBLIC

HERMAN AMOS JR.  
Notary Public, State of New York  
No. 31-4961366  
Qualified in New York County  
Commission Expires Feb. 5, 2010

EXHIBIT A

Promissory Note

Page 1 of 3

JAN 09 2001

Borrower's Name: Michael Silla  
 Borrower's Social Security Number: 073-54-4089

**REPAYMENT PLAN SELECTION**

Carefully read question #5, "What are my repayment plan options?," on the "Frequently Asked Questions" Page to understand the repayment plans available to you. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" AND "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms. Both forms can be downloaded from the "Forms and Publications" Page. Your selection cannot be processed without these forms.
- If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.

Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

		Income Contingent	Standard	Extended	Graduated
<b>STUDENT LOANS</b>	<i>Direct Subsidized and Unsubsidized</i>				
	<i>Consolidation Loans:</i>	X			
<b>PARENT LOANS</b>	<i>Direct Plus Consolidation Loans:</i>	N/A			

**PROMISSORY NOTE****Promise to Pay:**

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in the Loan Information Section. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

Signature of Borrower

Date

Signature of Spouse(if consolidating jointly)

Date

EXHIBIT B

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 1

Michael Silla  
140 W. End Avenue Apt. 17G  
New York, NY 10023-6142  
Account No. 073544089

I certify that Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 06/11/07.

On or about 12/29/00, the borrower executed a promissory note to secure a Direct Consolidation loan from the U.S. Department of Education. This loan was disbursed for \$47,583.09 on 02/26/01, at 8.25 percent interest per annum. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the borrower defaulted on the obligation on 12/16/01. Pursuant to 34 C.F.R. § 685.202(b), a total of \$0.00 in unpaid interest was capitalized and added to the principal balance.

The Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:


Principal:	\$47,583.09
Interest:	\$24,396.53

Total debt as of 06/11/07:	\$71,979.62
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Interest accrues on the principal shown here at the rate of \$10.75 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 7/17/07

  
Loan Analyst  
Litigation Support